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European Communities

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Working Documents

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OPINION

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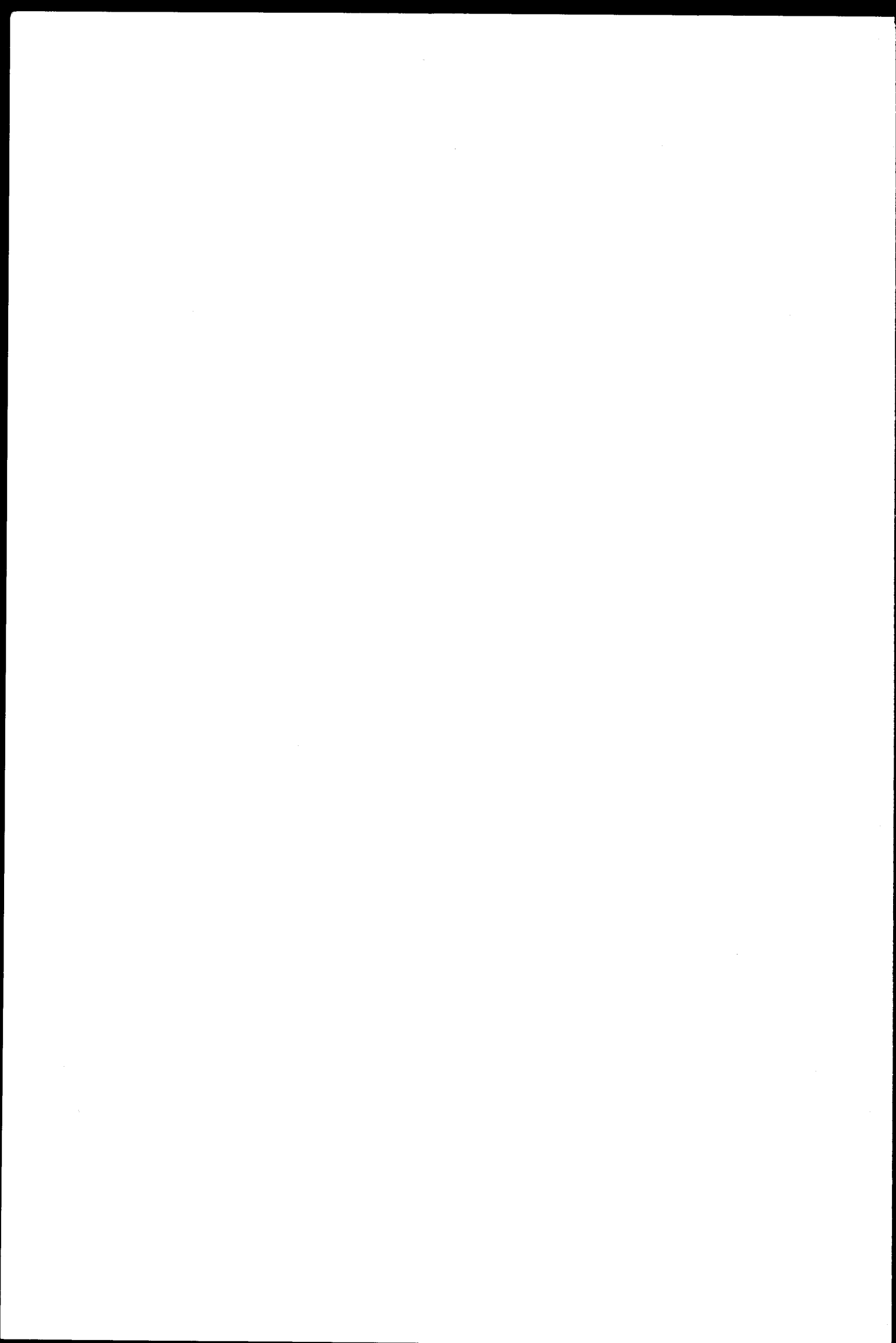
of the Committee on Budgets

on the proposal from the Commission of the European Communities to the Council for a regulation on the customs treatment applicable to goods returned to the customs territory of the Community (Doc. 79/74)

Draftsman : Mr G. BOANO

PE 37.134/fin.

12.1



The Committee on Budgets appointed Mr Boano draftsman on 31 May 1974.

It considered the draft opinion at its meeting of 1 July 1974 and adopted it unanimously at the same meeting.

The following were present: Mr Aigner, acting chairman; Mr Boano, draftsman; Mr Artzinger, Mr Berthoin (deputizing for Miss Flesch), Mr Concas, Mr Fabbrini, Mr Lenihan, Mr Maigaard, Mr Notenboom, Mr Pêtre, Mr Pounder, Mr Vernaschi and Mr Yeats (deputizing for Mr Terrenoire)

INTRODUCTION

1. This proposal from the European Commission seeks to rationalize the system of exemptions for goods returned into the customs area of the Community either in the cases where these goods were originally exported from the Community but for various reasons were returned later, or where the final products contain a high proportion of Community products : in the latter case an element of exemption is to be accorded.

THE COMMISSION'S PROPOSALS AND THEIR FINANCIAL CONSEQUENCES

2. In the proposed Regulation the Commission lays down the conditions covering these exemptions, as well as for instances of partial exemption and qualifies its proposal to deal with the problem of the new Member States.

3. Nevertheless, the phrasing of some of the articles of the Commission's proposal is somewhat unusual, their stipulations consistently being subject to substantial derogations (e.g. Articles 2, 7, 8 and 9).

Similarly, the information to be contained in the document for the purpose of identifying goods qualifying for exemption is not adequate, particularly as regards the evidence of their Community origin.

4. Your draftsman therefore believes that the Committee on Budgets must draw attention to the inadequacy of the details provided in the explanatory statement. There is no indication, for example, of whether or not there is a large scale traffic in goods returned to the customs territory of the Community. Without even a reference to where such information could be provided, the Budget Committee cannot evaluate the financial consequences of the proposal.

5. While the Commission's proposal seeks, quite rightly, to prevent the possibility of illegal gains based on variations in the compensatory amounts (Art. 3) or on the different rate of dismantling or raising tariffs (Article 14), it does not appear to cover the eventuality of speculation based on variations in levies or in export refunds.

The exemption from levies on such goods returned to the Community on condition that the sums granted as export subsidies are refunded does not seem calculated to guarantee the neutral character of the operation; the legal comparability of the two phases of the operation does not imply that their financial effects are also comparable.

6. The absence of data and specific information in the Commission's proposal does not allow the effect of the application of this proposal on the Community's budget revenues, as regards agricultural levies and customs duties, to be evaluated.

7. Nor is any information given on the probable increase in work load and costs for the customs services of the Community Member States resulting from application of this proposal, or on the method of paying the expenditure incurred in this way.

CONCLUSIONS

8. The Committee on Budgets notes the principles which led the Commission to draw up the proposal in question, including the desire to regularize on a Community level a number of varying national provisions already in force along these lines. However it repeats its request for more exhaustive and explicit information and provisions to resolve the doubts and fears expressed above.

